

# Audit's NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

# Realty Trust Review

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## INVESTMENT OUTLOOK AND STATISTICAL ISSUE

Investment outlook: Bond and stock speculators hit rough going.....	1
Earnings trends: Qualified REITs in strong rebound.....	7
Table: New Earnings Reports of latest quarters for 43 trusts.....	8
Comments on: <u>Mtg. Tr. Amer.</u> , <u>First Commerce</u> , <u>MassMutual</u> , <u>MONY Mtg.</u>	
Dividend trends: Eight increases in March; General RE pays gains.....	3
Table: Latest Dividend Declarations for trusts.....	3
Graph of Audit Investment Index of mortgage and equity (property) trusts.....	2
Nonearning investments: Monthly tally finds 3.4% drop, steepest yet.....	2
Computerized Comparative Trust Group Averages.....	3
Comparative Trust Statistics for 142 realty trust shares.....	4&5
Statistics for 19 warrants and 43 convertibles.....	6
Statistics for 36 straight bond issues of trusts.....	3
How to Use Comparative Trust Statistics.....	6
Tenders/Exchange offers: Midland Mtg. 8% noteholders to stretch maturity.....	7

## INVESTMENT OUTLOOK: BOND AND STOCK SPECULATORS HIT ROUGHER GOING

Suddenly Wall Street's bond and stock speculators are getting burned.

For many months they've benefitted by rising prices -- especially in low-grade and defaulted subordinated debt issues.

But prices have plunged in past two weeks. Atico's 6-3/4s fell 14% when one bank wouldn't go along with new credit pact. First Newport's 8-3/4s were off 10%.

One shocker was Guardian Mortgage's Ch. XI bankruptcy petition March 8. GMI and its banks simply couldn't agree on how many years GMI needed to repay \$204 million. GMI's two straight bonds fell 6% and 10% on news (see table, p. 3).

Some managers of trusts with sub debt have been rooting for a major bankruptcy.

They'd expected Barnett Mortgage to topple if its cash tender/exchange offer failed.

A Barnett bankruptcy would have punished two prominent Wall Street junk bond traders who'd loaded up on BMT bonds.

That would have boosted risk for other bond traders -- by quantum measures.

And it would have eased the restructuring job ahead for managers of many other trusts with sub debt. As it is, they must fashion restructurings to please both original bond holders at par and speculators who bought at deep discounts.

GMI's bankruptcy may help them, temporarily, by raising risk.

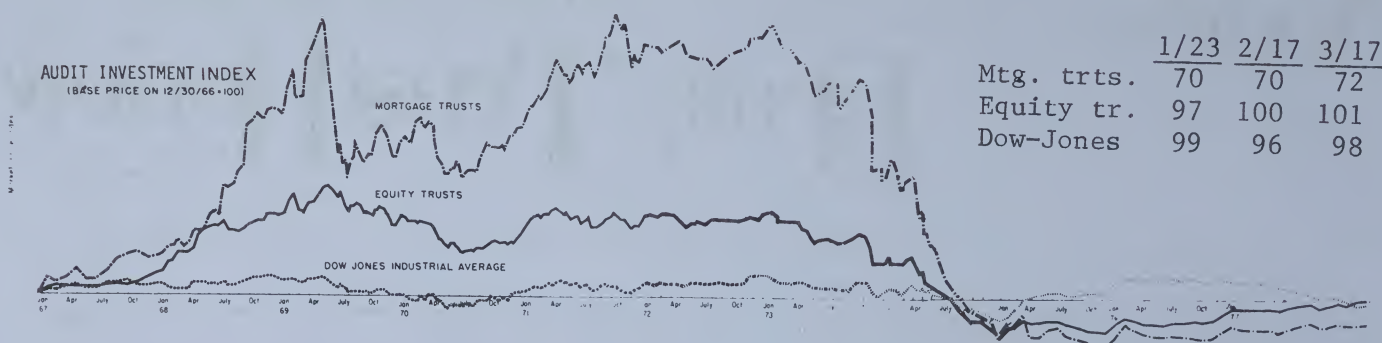
How will Guardian's sub debt holders fare in their bankruptcy? Full answer must await outcome of hard negotiations with banks and other creditors ahead.

But bankruptcy gives sub debt holders full stake in proceedings vs. indirect role through an indenture trustee. Guardian management had proposed paying both banks and

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sub debt 100% of par -- but over many years.

That's because most assets left are land, most in Florida. Strictly long-term.

Bankruptcy filing automatically halts tolling of bank interest.

That alone boosts ultimate principal recovery for sub debt. And value of shares.

Barnett Mortgage bonds soared 53% and 27% after trust accepted tenders for 68½% of the \$47 million of sub debt out. And 90% of holders took 30% or 40% of par in cash.

But outcome was in doubt until final moments, with BMT literally on court house steps. Two large holders finally put up enough bonds to swing the deal.

In REIT stocks, outside buyers did better. Federated Reinsurance Corp. of Houston abandoned its offer for 335,000 sh. of Property Trust of America at \$6.

In the deal, Property Trust bought Federated's 167,666 sh. at \$6.

That gave Federated a good profit -- it had accumulated shares at about 4-1/8.

Federated still holds big blocks in United Realty (203,000 sh. or 5.6%) and Maryland Realty (98,500 sh. or 11.8%).

A New Jersey investment management firm bid \$9 for 160,000 (about 12%) of the preferred shares of CL Assets, Inc., closed-end fund investing mainly in REITs.

Dividends on the preferred are over two years in arrears, giving preferred holders right to name majority of board.

CNA Management Co., the manager, promptly topped this with offer for 100,000 sh. at \$11. Big attraction is tax-loss carryforward.

All this means that sophisticated money is still around -- and looking at trusts.

Figuring where it will surface next is tough -- but not impossible.

Reported insider and outsider buying is valuable clue. We incorporate all known such buying in RELATIVE APPEAL RANKINGS (see March 10 RTR).

Don't overlook possibility that such buying may be less sophisticated than you think.

B.F. Saul REIT is case in point. BFS shares jumped not because dividend resumption is possible but because one Wall Streeter and his customers are buying -- hard.

His reasons: BFS estimates the replacement cost of its assets, after depreciation, at \$96.9 million or \$16.57/sh. above their book value. The buyer looks beyond this and puts the markup at about \$19/sh. before depreciation.

"Of course replacement cost is not market value but if it is only one-half, I and my customers stand to make a bundle." he says. Our view: Property is worth what it earns.

#### NON-EARNING ASSETS DROP BY 3.4% IN MONTH, LARGEST MONTHLY DROP YET

Our monthly tally of non-earning assets for 142 trusts shows for March:

	Number	----Invested assets----	% Non- and	% Change
TOTALS/AVERAGES.....	142	Non/Low-Earn.	Total low-earning	in month
		\$7,289 M*	\$14,104 M	52%
				-3.4%

\* Includes \$1,168M or 8.3% low-earning assets.



## DIVIDEND TRENDS: EIGHT INCREASES IN MARCH; GENERAL REAL ESTATE PAYS GAINS

Eight trusts raised their payouts in March. Federal Realty increased, the eleventh straight year; Fraser, dumped its biggest non-earning asset; Hubbard, new rents coming in from old Grant space; MassMutual, the fourth hike in five quarters; Prudent; Realty & Mtg. Pacific, paying taxable income and some depreciation; Real Est. Inv. Prop. (ex Vagabond) got increased percentages from hotels. General Real Estate resumed with four declarations out of capital gains. At press time, Mortgage Growth declared 14¢ vs. 12¢.

	<u>Up</u>	<u>Same</u>	<u>Down</u>	<u>Total</u>	<u>%Change</u>
March 11	14	0	25	+ 8%	
Year 17	32	1	50	--	
-----From previous year-----					
March 16	9	0	25	+31%	
Year 28	21	1	50	--	

Trust	Record date	Latest	--Dividend/share-- Previous	--Net change-- Amt. Percent	Special	Year Ago	% Change
Consol. Capital Realty	3/17	\$0.17M	\$0.17	\$ --	NC	\$0.1684	+1
Cont'l. Ill. Prop.	4/3	0.32	0.32	--	NC	0.32	NC
Delaware Vly. R&M	3/30	0.115M	0.115	--	NC	0.115	NC
Federal Realty	3/20	0.34	0.32	+0.02	+6	0.31	+10
First Cont'l. REIT	3/31	0.23	0.23	--	NC	0.22	+5
First Union REI	4/14	0.26	0.26	--	NC	0.25	+4
Florida Gulf Realty	3/10	0.32	0.32	--	NC	0.32	NC
Fraser Mortgage Inv.	3/31	0.26	0.25	+0.01	+4	0.25	+4
GREIT Realty	4/14	0.10	0.10	--	NC	0.10	NC
General Growth Prop.	3/31	0.37	0.37	--	NC	0.35	+6
General RE Shares	3/13	0.08	0.00	+0.08	--	0.00	--
General RE Shares	6/12	0.33	0.08	+0.25	+313	0.00	--
General RE Shares	9/25	0.33	0.33	--	NC	0.00	--
General RE Shares	12/11	0.34	0.33	+0.01	+3	\$0.04	0.00
Gould Investors	3/20	0.20	0.17	+0.03	+18	0.10	+100
Gould Investors	6/15	0.20	0.20	--	NC	0.125	+60
Hospital Mortgage	4/14	0.15	0.15	--	NC	0.15	NC
Hubbard Real Estate	3/23	0.33	0.32	+0.01	+3	0.30	+7
M&T Mtg. Inv.	3/28	0.26	0.26	--	NC	0.26	NC
MassMutual Mtg.	3/22	0.32	0.31	+0.01	+3	0.29	+10
MONEY Mtg. Inv.	3/31	0.23	0.23	--	NC	0.23	NC
New Plan Realty	3/15	0.08M	0.08	--	NC	0.075	+7
Pacific-Southern Mtg.	2/13	0.15	0.15	--	NC	0.15	NC
Pitts. & W. Va. RR	3/10	0.14	0.14	--	NC	0.14	NC
Prudent REIT	3/9	0.06	0.05	+0.01	+20	0.05	+20
Rlty. & Mtg. Pacific	3/31	0.32	0.30	+0.02	+7	0.28	+14
Real Estate Inv. Prop.	4/1	0.53	0.48	+0.05	+10	0.45	+18
Realty Income Trust	3/3	0.35	0.35	--	NC	0.35	NC
University RE	3/23	0.09M	0.08	+0.01	+13	0.05	+80
TOTALS (25 Trusts)b		\$6.52	\$6.02	\$0.50	+8%	\$4.995	+31%

b-Excludes monthly and special dividends. NC-No change. M-Monthly.

## COMPARATIVE TRUST GROUP AVERAGE 03/17/78

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	% CHNG FROM-- MON AGO JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2155	11.46	1.01	1.24	13.00	4.0	2.1	10.4	7.8	13.4	645.0
-SMALL	7	0	7	889	12.52	1.23	1.47	12.21	4.8	3.8	8.3	10.1	-2.4	72.1
-SUBOR LAND	3	0	3	1862	15.73	1.01	1.55	11.71	3.8	-1.0	7.6	8.7	-25.6	54.2
AVERAGE 3 PROP GROUPS			31	1840	12.11	1.06	1.32	12.69	4.2	2.2	9.6	8.4	4.8	771.3
PROP & MTG COMBINATION	15	9	24	2144	9.74	0.32	0.38	6.98	3.1	4.6	18.1	4.6	-28.3	426.6
SHORT-TERM MTG	11	0	11	1756	14.76	0.53	0.56	8.50	3.3	2.3	15.1	6.2	-42.4	191.2
LONG-TERM MTG/PROP	13	0	13	3440	14.81	1.01	0.92	11.32	2.6	-3.5	12.4	9.0	-23.6	504.7
MTG/FCLSD PROP-MISC	11	7	18	2440	3.58	0.00	0.89	2.57	9.0	4.8	2.9	0.0	-28.3	109.4
-BANK	0	18	18	2040	2.19	0.00	0.18	2.40	4.2	6.8	13.3	0.0	9.7	76.0
-INDEPEND	0	27	27	3480	0.67	0.00	0.55	1.48	1.5	4.7	2.7	0.0	119.0	111.1
AVERAGE 3 MTG/FCLSD PROP			63	2771	1.93	0.00	0.54	2.05	5.0	5.4	3.8	0.0	5.9	296.5
OVERALL AVERAGE	81	61	142	2445	7.65	0.41	0.72	6.55	3.7	2.1	9.1	6.4	-14.3	2190.3

## DOW-JONES INDUSTRIAL AVERAGE

89.86 768.71 +2.1 -7.4

8.6

6.1 \*Latest quarter annualized

## STRAIGHT BONDS

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ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
ATICO MTG-C#	NY	6.75	'82f	16.9	58.00	-14	11	JUSTICE MTG-B	OC	7.75	'79	9.6	40.00	0	VJ
BT MTG INV-C	OC	5.75	'82	20.0	68.00	1	8	LMI INVESTORS-C	NY	6.75	'82	9.2	74.38	3	9
BARNETT MTG-C	OC	6.75	'91	17.3	46.00	53	DEF	MIDLAND MTG-B	NY	8.00	'80	17.1	65.00	-8	12
BARNETT MTG-CD	OC	8.50	'98	30.0	56.00	27	DEF	MTG INV WASH-B	OC	9.25G	'80	15.0	60.00	-3	15
BARNETT-MTG-CE	OC	8.25	'98	30.0	57.00	5	DEF	NJB PRIME INV-C	OC	7.00	'80	12.9	25.00	8	DEF
BAY COLONY PROP-C	NY	8.50	'81f	23.0	81.63	-2	10	NATIONWIDE RE-C	OC	7.00	'91	6.5	71.00	1	9
CHASE MAN TR-A	NY	7.88	'78	36.7	97.38	0	8	NO AMER MTG-B	OC	8.50	'87	12.1	81.50	0	10
CHASE MAN TR-C	NY	7.50	'83	41.2	72.63	4	10	NO AMER MTG-C	NY	5.50	'79	16.3	93.00	0	5
CITIZENS MTG INV-A	OC	6.75	'78	30.0	41.00	7	DEF	SAUL (B.F.)-C	NY	8.50	'80	25.0	92.88	2	9
CITIZENS MTG INV-B	OC	8.50	'80	20.0	36.00	0	DEF	STATE MUT INV-B	NY	9.00	'80f	6.2	92.38	-0	9
COLUMELL MTG-B	OC	8.20	'80	25.0	45.00	9	VJ	SECURITY MTG-C#	AS	7.25	'82	50.0	88.63	0	8
CONT ILL RLTY-B	NY	7.63	'79	25.0	90.50	1	8	SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	-2	9
COUNSINS M&E-C	NY	6.50	'82f	30.0	56.50	0	11	TPI-SOUTH MTG-B	NY	7.75	'80	25.0	66.50	1	DEF
FIRST MTG INV-A	OC	6.75	'82	12.6	40.00	-6	16								
FIRST MTG INV-A	OC	8.25	'77	0.4	64.00	-8	12								
FIRST NEWPORT-B	OC	8.75	'79	7.0	67.00	-10	13								
FIRST VIRGINIA-B	OC	8-12	'80	5.0	75.00	0	10								
FIRST VIRGINIA M	OC	4.00	'80	15.0	66.00	4	6								
GMR PROPERTIES-C	AS	7.70	'80	20.0	84.00	-0	9								
GREAT AMER MGMT-B	OC	7.75	'79	25.0	16.00	33	VJ								
GREAT AMER MGMT-C	OC	8.75	'83	25.0	11.00	22	VJ								
GUARDIAN MTG-B	OC	7.50	'79	25.0	27.00	-6	VJ								
GUARDIAN MTG-C#	OC	6.75	'86	8.6	17.00	-10	VJ								
IDS REALTY-H	OC	----	----	169.8	60.00	-7	NC								
INSTITNL INV-B	NY	7.88	'80	20.0	82.00	-2	9								

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-F: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.

X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.

#-MAY BE USED AT PAR TO EXERCISE WARRANTS.

f-TRADES FLAT, WITHOUT ACCRUED INTEREST.

PROPERTY TRUSTS—OVER \$25M	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS— MON	LAST ANN*	PRICE	% CHANGE MON AGO	FROM— JAN 1	P/E RATIO	ANN* YIELD*	% PR TO BK	RETURN ON BK	MKT VA (MILS)
AMER EQUITY IT#	O-AEQTS	2497	6.36	0.55	SEP	0.71	6.00	4.3	4.3	8.5	9.2	-5.7	11.2	15.0
API TRUST	O-APIITS	1012	8.00	0.00	DEC	0.00	3.50	7.7	-17.6	0.0	0.0	-56.3	0.0	3.5
CONWLTH RLTY #	O-CRYTC	1180	6.52	0.80	NOV	0.00	9.25	2.8	2.8	0.0	8.6	41.9	0.0	10.9
CONSOL CAP RLY#	O-CCPLS	1989	19.63	2.04	AUG	2.40	28.00 X	6.3	3.7	11.7	7.3	42.6	12.2	55.7
CONT ILL PROP#	N-CIE	4808	20.58	1.28	JAN	1.32	15.25	6.1	-1.6	11.6	8.4	-25.9	6.4	73.3
DENVER REIA#	O-DENVIS	1091	8.01	0.72	SEP	1.28	9.63 X	3.3	14.9	7.5	7.5	20.2	16.0	10.5
FEDERAL REALTY	A-FRT	1357	9.59	1.36	DEC	1.72	16.00 X	6.2	-1.5	9.3	8.5	66.8	17.9	21.7
FIRST FIDELITY#	O-FFITS	866	10.54	0.40	AUG	0.60	8.50	17.2	51.0	14.2	4.7	-19.4	5.7	7.4
FIRST UNION #	N-FUR	4241	8.81	1.04	JAN	0.95	11.75	-6.0	-8.8	12.4	8.9	33.4	10.8	49.8
FLORIDA GULF#	O-FGLFS	982	15.02	1.28	JAN	1.56	14.50 X	7.8	3.6	9.3	8.8	-3.5	10.4	14.2
GENERAL GROWTH#	N-GGP	6202	6.34	1.48	DEC	1.72	22.75	0.0	-5.7	13.2	6.5	258.8	27.1	141.1
GOULD INVESTOR#	A-GTR	1174	6.84	0.80	DEC	1.28	7.88 X	7.7	12.6	6.2	10.2	15.2	18.7	9.3
GREIT REALTY #	A-GRT	998	11.11	0.40	JUL	1.56	6.75	-3.6	5.8	4.3	5.9	-39.2	14.0	6.7
HUBBARD REI	N-HRE	4004	22.61	1.32	JAN	1.52	17.50 X	1.1	-1.4	11.5	7.5	-22.6	6.7	70.1
NEW PLAN RLTY#	O-NPLNS	1690	4.21	0.96	JAN	1.13	11.50 X	-5.5	-6.1	10.2	8.3	173.2	26.8	19.4
PENN REIT #	A-PEI	1516	12.11	1.25	NOV	2.35	14.88	0.9	4.4	6.3	8.4	22.9	19.4	22.6
PRUDENT REIT	A-PRU	3217	2.88	0.24	NOV	0.00	3.00 X	16.3	14.1	0.0	8.0	4.2	0.0	9.7
REIT OF AMERICA	A-REI	1633	21.17	1.20	FEB	1.48	15.13	3.4	4.3	10.2	7.9	-28.5	7.0	24.7
SAN FRAN RE #	A-SFI	1367	20.13	1.20	DEC	1.07	16.25	4.8	7.4	15.2	7.4	-19.3	5.3	22.2
UNIVERSITY REIT	O-URETS	1907	8.71	1.08	SEP	1.33	11.00	-6.4	4.8	8.3	9.8	26.3	15.3	21.0
WASH REIT #	A-WRE	1516	11.58	1.80	DEC	2.16	23.88 X	5.8	-1.0	11.1	7.5	106.2	18.7	36.2
GROUP AVERAGE		2155	11.46	1.01		1.24	13.00	4.0	2.1	10.4	7.8	13.4	10.9	645.0
PROPERTY TRUSTS—SPECIALTY	PROPS & UNDER \$25M	ASSETS												
GENERAL RE	O-GRELS	557	6.94	1.12	DEC	1.44	7.50 X	28.9	25.0	5.2	14.9	8.1	20.7	4.2
HOTEL INVESTOR#	A-HOT	1545	17.53	1.68	NOV	2.12	18.75	7.1	10.3	8.8	9.0	7.0	12.1	29.0
PIITTS & W VA RA	A-PW	1510	22.46	0.56	SEP	0.80	6.75 X	-3.4	-14.3	8.4	8.3	-69.9	3.6	10.2
RE INV PROPS	O-REIPS	480	15.16	2.12	DEC	1.84	19.50	-2.5	-2.5	10.6	10.9	28.6	12.1	9.4
REIT OF CALIF	O-RTCAL	550	8.94	1.20	DEC	1.68	12.50	0.0	0.0	7.4	9.6	39.8	18.8	6.9
TERRYDALE R#	O-TRYLS	336	13.47	1.48	DEC	1.88	14.50	3.6	7.4	7.7	10.2	7.6	14.0	4.9
US EQUITY & MTG	O-USEM	1246	3.11	0.48	JUL	0.52	6.00	9.1	9.1	11.5	8.0	92.9	16.7	7.5
GROUP AVERAGE		889	12.52	1.23		1.47	12.21	4.8	3.8	8.3	10.1	-2.4	11.7	72.1
PROPERTY TRUSTS—SUBOR LAND	LEASEBACK													
ICM REALTY	A-ICM	3011	14.32	0.24	NOV	1.03	7.50 X	3.1	7.1	7.3	3.2	-47.6	7.2	22.6
JMB REALTY #	O-JMBRS	510	19.19	1.60	AUG	2.42	16.38	2.4	-0.7	6.8	9.8	-14.6	12.6	8.4
PROPERTY CAPITL	A-PCL	2065	13.68	1.20	JAN	1.20	11.25 X	2.7	-6.3	9.4	10.7	-17.8	8.8	23.2
GROUP AVERAGE		1862	15.73	1.01		1.55	11.71	3.8	-1.0	7.6	8.7	-25.6	9.9	54.2
PROPERTY & MTG COMBINATION														
BANKAMER RLTY	O-BRLTS	3547	16.55	0.60	JAN	0.72	10.75 X	3.8	2.4	14.9	5.6	-35.0	4.4	38.1
BRT REALTY	A-BRT	1400	3.58	0.00	AUG	0.00	0.75	8.7	8.7	0.0	0.0	-79.1	0.0	1.1
CONN GEN M&R#	N-CGM	5718	19.18	1.60	DEC	1.76	20.38	2.5	-3.0	11.6	7.9	6.3	9.2	116.5
FLATLEY REALTY	O-FLTLS	1000	6.95	0.00	DEC	0.16	2.75	0.0	-15.4	17.2	0.0	-60.4	2.3	2.8
INDIANA M&R #	O-INDMS	1154	8.40	0.00	DEC	0.40	3.25	-3.8	-7.1	8.1	0.0	-61.3	4.8	3.8
INVESTORS RL#	A-IRT	1579	10.40	0.50	NOV	0.64	8.38 X	6.3	11.7	13.1	6.0	-19.4	6.2	13.2
MILLER HENRY S	O-HSMTS	560	16.83	0.80	NOV	0.16	10.00	2.6	0.0	62.5	8.0	-40.6	1.0	5.6
MORTGAGE GROWTH	A-MTG	2652	10.64	0.48	NOV	0.32	6.88	19.7	19.7	21.5	7.0	-35.3	3.0	18.2
PROP TR AMER#	O-PTRAS	2506	7.25	0.28	SEP	0.20	5.00 X	-13.8	-2.5	25.0	5.6	-31.0	2.8	12.5
REALTY INCOME	A-RIT	1566	10.92	1.40	JAN	0.00	12.25 X	-2.2	-4.9	0.0	11.4	12.2	0.0	19.2
RIVIERE RLTY #	O-RIVI6	783	8.47	0.50	SEP	0.84	5.50	0.0	0.0	6.5	9.1	-35.1	9.9	4.3
SAUL (RF) REIT	N-BFS	5850	5.45	0.00	DEC	0.00	5.75	39.2	35.3	0.0	0.0	5.5	0.0	33.6
US BANCORP #	A-UBT	840	16.40	0.00	NOV	0.32	11.13	-1.1	11.3	34.8	0.0	-32.1	2.0	9.3
VIRGINIA REI#	O-VARES	1251	10.30	0.40	SEP	0.64	8.00	0.0	3.2	12.5	5.0	-22.3	6.2	10.0
WELLS FARGO M&E	N-WFM	3911	17.37	1.20	DEC	1.02	13.13	4.0	-0.9	12.9	9.1	-24.4	5.9	51.4
GROUP AVERAGE		2288	11.25	0.52		0.48	8.26	4.0	2.4	17.3	6.3	-26.6	4.3	339.6
SHORT TERM MTG—MTG BANKER & MISC FIN SPONSOR														
BAIRD & WARNER	O-BAIDS	1043	16.14	0.14	JAN	0.00	6.25	-3.8	4.2	0.0	2.2	-61.3	0.0	6.5
CENTRAL MTG	O-CMRTS	775	11.99	0.00	DEC	0.04	4.38	-7.8	12.9	109.5	0.0	-63.5	0.3	3.4
FIRST CONTNL	O-FCRES	2106	10.28	0.92	FEB	0.92	8.38	1.6	-1.4	9.1	11.0	-18.5	8.9	17.6
FRASER MTG	O-FRASS	1038	16.39	1.04	NOV	1.00	12.25	4.3	8.9	12.3	8.5	-25.3	6.1	12.7
HANOVER SQ RLTY	A-HSO	946	11.02	0.00	NOV	0.31	5.88	9.3	12.0	19.0	0.0	-46.6	2.8	5.6
LOMAS & NETLIN	N-LOM	3700	27.76	1.68	DEC	1.68	19.75	-0.7	-0.7	11.8	8.5	-28.9	6.1	73.1
M&T MORTGAGE	O-MTMS	1482	10.25	1.04	NOV	1.12	10.75	-1.3	0.0	8.9	10.4	-2.4	10.9	14.8
MTG TRUST AMER	N-MT	3860	12.29	0.00	FEB	0.18	6.50	10.5	8.3	36.1	0.0	-47.1	1.5	25.1
NATIONWIDE RE	O-NRELS	1047	24.09	0.16	DEC	0.16	7.75	3.3	-3.1	48.4	2.1	-67.8	0.7	8.1
SUITRO MTG INV	N-SUT	2322	15.34	0.80	DEC	0.48	9.00	7.4	-4.1	18.8	8.9	-41.3	3.1	20.9
WESTERN MTG	O-WMTGS	1002	6.82	0.00	NOV	0.30	3.38	4.0	4.0	11.3	0.0	-50.4	4.4	3.4
GROUP AVERAGE		1756	14.76	0.53		0.56	8.50	3.3	2.3	15.1	6.2	-42.4	3.8	191.2
LONG-TERM MTGS & PROPERTIES														
BT MTG INVSTRS	N-BTM	2116	-3.18	0.00	DEC	0.00	2.25	19.7	0.0	0.0	0.0	-0.0	-0.0	4.8
DELAWARE VLY*	O-DVRMS	904	10.01	1.38	SEP	1.34	12.75	-1.9	-5.6	9.5	10.8	27.4	13.4	11.5
EQUIT LF MTG	N-EQ	5637	23.52	2.40	JAN	1.92	23.88	-4.5	-8.6	12.4	10.1	1.5	8.2	134.6
HOSPITAL MTG	A-HMG	1178	22.72	0.60	NOV	0.52	9.75	9.8	6.8	18.8	6.2	-57.1	2.3	11.5
MASSMUTUAL MTG	N-MML	4670	19.53	1.28	JAN	1.32	14.75	7.3	-4.1	11.2	8.7	-24.5	6.8	68.9
MONEY MTG INV	N-MYM	8919	9.79	0.92	FEB	0.64	9.25	0.0	-7.5	14.5	9.9	-5.5	6.5	82.5
NOWSTRN MUT MT	N-NML	4758	19.05	1.00	DEC	0.68	11.63	8.2	-5.1	17.1	8.6	-39.0	6.6	55.3
PACIFIC SO MTG	O-PSMTS	800	11.95	0.60	DEC	0.60	7.13	-4.9	5.6	11.9	8.4	-40.3	5.0	5.7
PNE MTG& RL#	N-PNI	2437	18.77	0.80	DEC	1.00	10.75	4.9	0.0	10.8	7.4	-42.7	5.3	26.2
REALTY REFUND	A-RRF	1309	18.67	2.12	JAN	2.12	20.00 X	-2.8	-4.8	9.4	10.6	7.1	11.4	26.2
RLTY & MTG PAC	O-RPACS	1890	18.10	1.28	FEB	0.96	12.00	-4.0	-3.1	12.5	10.7	-33.7	5.3	22.7
SECURITY MTG	A-SMO	6487	5.98	0.00	DEC	0.00	2.75	-4.5	-8.3	0.0	0.0	-54.0	0.0	17.8
UNITED REALTY	A-URT	3610	17.60	0.80	NOV	0.80	10.25	7.9	3.7	12.8	7.8	-41.8	4.5	37.0
GROUP AVERAGE		3440	14.81	1.01		0.92	11.32	2.6	-3.5	12.4	9.0	-23.6	6.2	504.7

#NET CASH FLOW, SEE PAGE 6. \*GROSS CASH FLOW. -0.0 NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION.

ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE. WESTERN MTG. ALSO TRADES ON BOSTON EXCH.

AMERICAN EQUITY INV. EARNINGS AND DIVIDENDS TRAILING 12 MONTHS. CITIZENS & SO. EARNINGS FULLY DILUTED. FIDELITY MTG. NAME CHANGED TO LIFETIME COMMUNITIES.



	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
AMER CENTURY MT	N-ACT	2607	5.30	0.00	DEC	0.00	2.50	-4.9	-20.1	0.0	0.0	-52.8	6.5
BENEF STD MTG	N-BSM	1355	0.36	0.00	JAN	0.25	2.00	22.7	22.7	8.0	0.0	455.6	2.7
VJCOLWELL MTG	O-CLM	2030	-2.34	0.00	SEP	0.00	1.17	33.0	46.3	0.0	0.0	-0.0	2.4
CONT ILL RLTY	N-CLP	2797	2.09	0.00	DEC	0.66	2.88	-14.8	-11.4	4.4	0.0	37.8	8.1
FIRST COMMERCE	O-FCRNS	1008	10.99	0.00	DEC	0.08	6.00	14.3	14.3	75.0	0.0	-45.4	5.3
HEITMAN MTG	A-HTM	3292	2.73	0.00	SEP	0.00	1.25	0.0	-16.7	0.0	0.0	-54.2	4.1
MIDLAND MTG	N-MMT	2382	0.17	0.00	DEC	0.00	1.25	-9.4	0.0	0.0	0.0	635.3	3.0
MISSION INV TR	A-MIT	1812	4.68	0.00	NOV	0.00	1.75	7.4	0.0	0.0	0.0	-62.6	3.2
NORTH AMER MTG	N-NAM	4401	9.74	0.00	SEP	0.00	3.75	0.0	0.0	0.0	0.0	-61.5	16.5
TMC MORTGAGE	O-TMG	800	-1.69	0.00	DEC	0.00	1.50	50.0	212.5	0.0	0.0	-0.0	1.2
WACHOVIA RLTY	N-WRI	3335	10.10	0.00	FEB	0.00	4.63	8.9	2.9	0.0	0.0	-54.2	15.4
GROUP AVERAGE		2347	3.83	0.00		0.08	2.54	5.3	2.3	30.7	0.0	-33.7	68.4
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
AMER REALTY	O-ARB	2222	3.48	0.00	DEC	0.58	2.46	-1.6	112.1	4.2	0.0	-29.3	5.5
BAY COLONY PROP	N-BAY	2992	6.93	0.00	NOV	0.00	2.75	0.0	0.0	0.0	0.0	-60.3	8.2
C I REALTY #	N-CLX	2609	16.62	0.00	NOV	0.28	11.50	1.1	8.2	41.1	0.0	-30.8	30.0
CITIZENS GROWTH	O-CITGS	811	7.66	0.00	OCT	0.00	3.50	7.7	100.0	0.0	0.0	-54.3	2.8
FRANKLIN RLTY	A-FR	999	7.44	0.00	DEC	0.87	5.25	-4.5	2.3	6.0	0.0	-29.4	5.2
SUMMIT PROP #	O-SMMS	1543	6.97	0.00	OCT	0.14	4.50	9.0	12.5	32.1	0.0	-35.4	6.9
US REALTY #	N-UTY	3434	4.03	0.00	SEP	0.48	5.00	-2.5	2.5	10.4	0.0	24.1	17.2
WALTER RLTY #	O-WALJS	1035	7.20	0.00	JAN	0.00	4.88	-4.9	-7.0	0.0	0.0	-32.2	5.1
WISCONSIN REIT	O-WREIS	1514	4.89	0.00	DEC	0.00	4.00	3.1	3.1	0.0	0.0	-18.2	6.1
GROUP AVERAGE		1907	7.25	0.00		0.23	4.87	0.4	11.2	21.0	0.0	-32.8	87.0
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
BUILDERS INV	O-BULDS	2929	1.16	0.00	DEC	3.03	1.50	0.0	32.7	0.5	0.0	29.3	4.4
CAPITAL MTG	P-CMU	1675	-1.36	0.00	DEC	0.11	0.81	-13.8	0.0	7.4	0.0	-0.0	1.4
VJCONTINENTAL MTG	O-CMI	20838	-3.47	0.00	DEC	0.92	0.19	26.7	-24.0	0.2	0.0	-0.0	4.0
COUSINS M&E	N-CUZ	3854	1.17	0.00	NOV	0.00	1.75	26.8	16.7	0.0	0.0	49.6	6.7
DIVERSIFIED MTG	N-DMG	7327	8.33	0.00	DEC	2.81	2.88	15.2	9.5	1.0	0.0	-65.4	21.1
VJDOMINION MGR	O-DMRTS	639	-10.83	0.00	NOV	0.00	0.50	0.0	100.0	0.0	0.0	-0.0	0.3
FIRST MORTGAGE	O-FMTGS	8495	-6.35	0.00	JUL	0.17	0.50	13.6	-10.7	2.9	0.0	-0.0	4.2
FIRST NEWPORT R	O-FNRIS	2339	3.73	0.00	JAN	0.00	1.25	-16.7	-13.2	0.0	0.0	-66.5	2.9
FIRST VIR REIT	O-FVM	1208	5.80	0.00	DEC	2.80	1.92	13.6	28.0	0.7	0.0	-66.9	2.3
VJGREAT AMER M&I	O-GAA	4456	-12.71	0.00	OCT	0.00	0.55	22.2	120.0	0.0	0.0	-0.0	2.5
VJGUARDIAN MTG	P-GMI	3000	-13.48	0.00	NOV	0.00	0.60	-25.9	-4.8	0.0	0.0	-0.0	1.8
HAMILTON INV	O-HAMTS	2095	5.63	0.00	SEP	0.20	1.75	-6.9	-6.9	8.8	0.0	-68.9	3.6
INSTITUTIONAL	N-INV	6074	4.40	0.00	OCT	0.00	1.75	-6.9	-26.5	0.0	0.0	-60.2	10.6
KENTUCKY PROPTY	O-KMTGS	1100	1.62	0.00	AUG	0.00	1.38	10.4	38.0	0.0	0.0	-14.8	1.5
LIFETIME COM	O-FID	6428	2.26	0.00	OCT	0.26	0.50	-20.6	11.1	1.9	0.0	-77.9	3.2
LINCOLN MTG*	O-LNMGs	1155	0.55	0.00	SEP	0.00	1.63	8.7	18.1	0.0	0.0	196.4	1.9
LPI INVESTORS	N-LPI	2059	7.08	0.00	DEC	3.77	3.38	-9.9	-3.4	0.9	0.0	-52.3	7.0
VJMETROPLEX RLTY	O-JMI	1184	0.54	0.00	JUN	0.00	0.75	8.7	33.9	0.0	0.0	38.9	0.9
MTG INV WASH	O-MNVS	2146	4.61	0.00	DEC	0.00	2.38	0.0	-4.8	0.0	0.0	-48.4	5.1
NATIONAL MTG	O-NMF	3707	1.97	0.00	NOV	0.00	0.85	18.1	51.8	0.0	0.0	-56.9	3.2
NJB PRIME INV	O-NJB	1330	-5.51	0.00	NOV	0.00	1.00	92.3	222.6	0.0	0.0	-0.0	1.3
PLAZA REALTY	O-PRISS	1114	1.34	0.00	SEP	0.00	0.88	-6.4	-6.4	0.0	0.0	-34.3	1.0
REPUBLIC MTG	N-RMI	2107	4.24	0.00	DEC	0.00	2.00	-6.1	-11.1	0.0	0.0	-52.8	4.2
TEXAS FIRST MTG	O-TMRS	1055	7.94	0.00	DEC	0.18	2.75	-8.3	4.6	15.3	0.0	-65.4	2.9
TIERCO	O-TIERS	1161	5.33	0.00	DEC	0.69	1.25	0.0	-16.7	1.8	0.0	-76.5	1.5
UMET TRUST	N-UAT	2109	-0.09	0.00	NOV	0.00	2.63	-4.4	-12.3	0.0	0.0	-0.0	5.5
WESTPORT CO	O-WSPTS	2388	4.29	0.00	JAN	0.00	2.50	17.4	11.1	0.0	0.0	-41.7	6.0
GROUP AVERAGE		3480	0.67	0.00		0.55	1.48	1.5	4.7	2.7	0.0	119.0	111.1
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
AMER FLETCHER M	O-AMF	1352	-1.84	0.00	OCT	0.00	1.25	10.6	42.0	0.0	0.0	-0.0	1.7
BARNETT MTG	O-BMT	2174	-11.26	0.00	DEC	0.00	1.00	33.3	100.0	0.0	0.0	-0.0	2.2
BARNETT-NINSTON	O-BNITS	1663	-0.44	0.00	DEC	0.03	1.38	38.0	56.8	46.0	0.0	-0.0	2.3
CAMERON-BROWN	N-CB	2016	7.90	0.00	SEP	0.00	2.75	4.6	4.6	0.0	0.0	-65.2	5.5
CHASE MAN MTG	N-CMR	4886	-1.93	0.00	NOV	0.00	2.00	22.7	6.4	0.0	0.0	-0.0	9.8
CITINATL DEV	O-CITI6	600	13.04	0.00	DEC	0.00	6.25	4.2	0.0	0.0	0.0	-52.1	3.8
CITIZENS MTG	O-CZM	1421	-14.60	0.00	SEP	0.00	0.38	22.6	31.0	0.0	0.0	-0.0	0.5
CITIZENS&SO RLTY	O-CZS	3829	-2.84	0.00	DEC	0.25	0.54	-28.0	-14.3	2.2	0.0	-0.0	2.1
CLEVELAND TRUST	O-CTRIS	2525	9.82	0.00	DEC	0.00	4.00	6.7	6.7	0.0	0.0	-59.3	10.1
FIDELCO GROWTH	A-FGI	1580	2.78	0.00	NOV	0.00	2.25	-5.5	0.0	0.0	0.0	-19.1	3.6
FIRST DENVER MT	O-FDENS	1621	6.39	0.00	DEC	2.56	2.88	-4.0	28.0	1.1	0.0	-54.9	4.7
FIRST MEMPHIS	O-FMEMS	1156	3.71	0.00	NOV	0.01	1.88	25.3	25.3	188.0	0.0	-49.3	2.2
FIRST PENN MTG	N-FPM	2961	2.00	0.00	JAN	0.00	1.50	0.0	-14.3	0.0	0.0	-25.0	4.4
FIRST WISCONSIN	O-FWMTS	1910	5.57	0.00	DEC	0.18	2.38	11.7	19.0	13.2	0.0	-57.3	4.5
INDEPENDENCE MT	O-INTGS	2500	-4.02	0.00	DEC	0.00	0.66	0.0	0.0	0.0	0.0	-0.0	1.7
MARYLAND REALTY	O-MDRTS	760	8.24	0.00	NOV	0.23	3.38	0.0	-3.4	14.7	0.0	-59.0	2.8
NY FINANCIAL IN	O-NFLNS	1510	14.19	0.00	SEP	0.00	7.25	0.0	-1.8	0.0	0.0	-48.9	10.9
TRI-SOUTH MTG	N-TSI	2260	2.71	0.00	DEC	0.00	1.50	-14.3	0.0	0.0	0.0	-44.6	3.4
GROUP AVERAGE		2040	2.19	0.00		0.18	2.40	4.2	6.8	13.3	0.0	9.7	76.0
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
ATICO MTG	O-ACO	2706	5.68	0.00	0.00	JUL	1.75	-12.5	-33.5	0.0	0.0	-69.2	4.7
ATLANTA NATL	O-ATNAS	1273	8.81	0.00	NOV	0.00	4.63	23.5	37.0	0.0	0.0	-47.4	5.9
BARNES MTG INV	O-BARNS	1910	11.53	0.00	DEC	0.00	3.75	36.4	36.4	0.0	0.0	-67.5	7.2
CI MTG GROUP	P-CI	4812	-2.85	0.00	JAN	0.00	1.00	44.9	44.9	0.0	0.0	-0.0	4.8
GMR PROP	N-GMR	2210	3.34	0.00	NOV	0.00	2.00	6.4	-6.1	0.0	0.0	-40.1	4.4
IDS REALTY	O-IDR	2409	-11.79	0.00	OCT	5.56	1.50	0.0	-10.7	0.3	0.0	-0.0	3.6
STATE MUTUAL	N-SMU	2786	7.74	0.00	DEC	9.62	3.75	10.9	3.3	0.4	0.0	-51.6	124.3
GROUP AVERAGE		2587	3.21	0.00		2.17	2.63	15.2	8.8	1.2	0.0	-18.2	67.6

## CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	65.13	10.7	0.2	13.67	2.50
AMER CENTY'B	NY	'91	6.75	28.00	65.50	10.3	0.6	18.34	2.50
AMER REALTY	OC	'84f	7.00	10.40	47.00	14.9	2.2	4.88	2.46
BAIRD&WARNER	OC	'91	6.75	21.00	68.00	9.9	-1.3	14.28	6.25
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	0.0	17.22	10.75
BENEF STD MI	AS	'91f	6.50	27.75	52.13	12.5	8.0	14.46	2.00
CAPITAL MTG	OC	'91f	6.50	33.00	47.00	13.8	0.0	15.51	0.81
CHASE MANHTN	NY	'96	6.50	55.00	54.00	12.0	1.9	29.70	2.00
CHASE MANHTN	PC	'97	11.63	2.25	97.00	12.0	2.6	2.18	2.00
COLWELL MTG	OC	'91f	6.50	29.38	37.00	VJ	23.3	10.87	1.17
CONN GENERAL	NY	'96	6.00	32.50	73.00	8.2	-1.3	23.72	20.38
CONVTNL MTG	OC	'90	6.25	19.79	15.00	VJ	7.1	2.96	0.19
EQUITBL LF M	NY	'90	6.75	26.25	87.25	7.7	-4.0	22.90	23.88
FIDELITY MI	OC	'85	7.75	21.25	15.00	51.7	0.0	3.18	0.63
FIRST PENN M	OC	'91	6.75	26.00	48.00	14.1	-3.9	12.48	1.50
FIRST UNION	NY	'91	7.00	13.00	95.00	7.4	2.2	12.35	11.75
FRANKLIN RLY	AS	'89	7.00	10.00	78.25	8.9	2.0	7.82	5.25
FST NEWPORT	OC	'91f	6.75	27.50	47.00	14.4	-4.0	12.92	1.25
GRT AMER MI	OC	'91	7.00	35.50	9.00	VJ	28.6	3.19	0.55
HANOVER SQ R	AS	'92	7.25	21.00	74.13	9.8	0.0	15.56	5.88
HEITMAN MTG	AS	'92	7.50	14.70	63.50	11.8	0.0	9.33	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	88.00	8.8	10.0	18.48	18.75
HOTEL INVTRS	OC	'91	7.50	25.25	82.00	9.1	12.3	20.70	18.75
LINCOLN MTG	OC	'90	8.00	11.00	61.00	13.1	0.0	6.71	1.63
MASSMUTL MTG	NY	'90	6.75	21.00	84.50	8.0	0.0	17.74	14.75
MASSMUTUAL M	NY	'91	6.25	33.50	78.00	8.0	-0.2	26.13	14.75
MIDLAND MTG	OC	'86	7.00	16.67	50.00	14.0	-1.9	8.33	1.25
MONEY MTG IN	NY	'90	7.00	11.00	82.50	8.5	-6.7	9.07	9.25
MTG INV WASH	OC	'90	8.00	15.00	60.00	13.3	-3.1	9.00	2.38
NJB PRIME	OC	'91	6.75	21.00	25.00	DEF	8.7	5.25	1.00
NOWSTRN MUTL	NY	'91	6.00	21.00	77.50	7.7	-0.1	16.27	11.63
RAM PACIFIC	OC	'91	6.75	21.00	77.00	8.8	4.1	16.17	12.00
REALTY INCOM	AS	'91	8.00	18.00	79.88	10.0	0.6	14.37	12.25
REPUBLIC MI	NY	'90	9.00	19.00	90.63	9.9	4.0	17.21	2.00
SAUL (BF) RL	OC	'91	6.50	23.00	66.00	9.8	3.1	15.18	5.75
SAUL(BF) REI	OC	'90	8.00	15.50	78.00	10.3	2.6	12.09	5.75
STATE MUTUAL	AS	'91	6.75	21.00	67.25	10.0	-0.3	14.12	3.75
SUTRO MIT	NY	'82	6.75	20.00	85.00	7.9	1.2	17.00	9.00
SUTRO MTG	AS	'91	6.75	20.00	74.00	9.1	1.4	14.80	9.00
TRI-SOUTH MI	OC	'92f	7.00	29.50	47.00	DEF	2.2	13.86	1.50
US BANCORP	AS	'92	7.00	26.25	75.75	9.2	-1.5	19.88	11.13
US REALTY IN	NY	'89	5.75	20.20	65.13	8.8	1.6	13.15	5.00
WESTPORT CO	OC	'91f	6.75	21.00	58.00	11.6	9.4	12.18	2.50

CONVERSION PARITY IS PRICE AT WHICH THE SHARES WOULD HAVE TO SELL TO JUSTIFY THE DEBENTURE PRICE. DEF-IN DEFAULT. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. VJ-IN BANKRUPTCY REORGANIZATION.

## WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	UTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.03	2.50	821.2	0.0	0.0
ATICO MTG IN	O-ACOW	12/79	563	15.00	1.0	0.06	1.75	760.6	-53.7	0.0
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	3.75	434.7	0.0	0.1
BENEF STD MT	A-BSMW	7/80	554	20.00	1.0	0.19	2.00	909.5	-38.6	0.1
CAPITAL MTG	O-CMORW	11/79	471	17.63	1.0	0.03	0.81	2080.2	0.0	0.0
CITIZNS&SO-B	O-CZS5	4/83	258	2.00	50.0	2.00	0.54	277.8	0.0	0.5
FLATLEY RLTY	O-FLTLW	5/78	1000	10.00	1.0	0.25	2.75	272.7	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	0.63	16.38	25.9	26.0	0.3
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.25	10.00	32.5	0.0	0.2
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.13	2.38	535.7	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.03	7.75	313.3	0.0	0.0
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.06	3.75	731.7	0.0	0.0
REALTY REFUN	O-RRF5	8/78	328	23.00	1.0	0.13	20.00	15.7	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.09	2.00	904.5	50.0	0.1
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.69	16.25	58.1	-7.9	0.9
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	2.75	484.0	0.0	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.81	9.00	131.2	-7.9	0.6
SUTRO MTG IN	O-SUTR5	4/78	299	22.00	1.0	0.12	9.00	145.8	0.0	0.0
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.19	10.25	97.0	-23.9	0.7

\*DEBENTURES USABLE IN LIEU OF CASH

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\$\*". Cash flow derived from amortization of debt discount is denoted by "\$@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

**Shares:** The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.



## TENDERS/EXCHANGE OFFERS: MIDLAND MORTGAGE ASKING HOLDERS TO STRETCH MATURITIES

Midland Mortgage Investors (NYSE--1-1/8) is asking holders of its 8% Senior Subordinated Notes to give it more time to repay beyond the March 1, 1980 maturity date.

Holders are being given two options and the trust hopes \$11 million of notes take one. This amounts to a minimum 64% acceptance of the \$17.1 million issue. The options:

- a) \$1,000 of a new 4% senior capital note with contingent interest, due July 1, 1985, plus 100 shares of common stock; or
- b) \$1,000 of a new 8% senior capital note due 1993.

Midland says the restructuring is "necessary for the trust to have possibility of any future viability."

And it adds that based on recent operating history, currently available cash flow from operations "would be insufficient to meet all fixed charges, including interest on the 4% Notes" were all holders to take the proffered 4% Notes.

This grim warning has caused the old 8% Notes to plunge on the NYSE. They closed at 56-3/4 as this is written after trading as low as 50.

A month ago they traded in the 71-72 range.

This may mean nothing more than profit taking by bond traders and speculators who bought at lower prices and don't want to be locked in.

There's concern too about counsel's opinion that the proposed new notes "should qualify" as senior indebtedness.

"However the definition of 'Senior Indebtedness' in the Indenture governing the Old Notes is somewhat ambiguous..." advises Massachusetts counsel.

MMI has done Herculean job of trimming bank debt, mainly via swaps.

It now owes banks \$9.9 million on Feb. 28 -- down 86% from \$71½ million in Dec. 1976.

But most salable and income producing assets are gone. Assets in litigation or in participations with other lenders are high, meaning further progress will be slow.

The likely alternate -- bankruptcy action -- would be a tragedy. Nobody wins there. Our advice to noteholders: Take one of the options.

## EARNINGS TRENDS: QUALIFIED TRUSTS IN STRONG REBOUND

Qualified trusts more than doubled aggregate earnings in the most recent quarters, according to our latest tallies.

The big swing comes because several trusts have now moved into the black after years of loss operations. All but three of the 24 qualified trusts reporting are in the black.

Non-qualified trusts are also improving and their losses narrowed by 70% in the month. Our monthly survey of earnings results:

	<u>Latest qtr.</u>	<u>Prev.qtr.</u>	<u>Year-ago</u>	<u>--% Change from--</u> <u>Prev.qtr.</u>	<u>Yr.ago</u>
<u>Qualified REITs:</u>					
Oper. income (loss) after prov.	\$ 9.6M	\$ 8.8M	\$4.1M	+ 9%	+132%
Gains on asset sales & other.	<u>1.9</u>	<u>4.8</u>	<u>1.0</u>	<u>-60</u>	<u>+104</u>
NET INCOME (LOSS).....	\$11.5M	\$13.6M	\$5.1M	-18%	+127%
<u>Non-qualified business trusts:</u>					
Oper. income (loss) after prov.	(11.9)M	(21.0)M	(39.3)M	-43	-70
Swap & other extra gains.....	<u>37.4</u>	<u>4.1</u>	<u>71.0</u>	<u>+820</u>	<u>-47</u>
NET INCOME (LOSS).....	\$25.5M	\$(16.9)M	\$ 31.8M	NC	-20%

(continued on page 8)

# New Earnings Reports

Trust-Period ended	Latest Q-Th.-\$ Earn/Spcl. Item#	Latest Q-EPS--- Earn/Spcl. Items#	Earnings/sh.-		% Chng. From**	
			Prev.Q	Yr.agoQ	Prev.Q	Yr.ago Q
Quarterly results: Qualified trusts:						
Consol. Cap.....Nov...\$ d147		\$d0.07	\$0.93a	\$d0.18	Better*	Better
Cont. Ill. Props.Jan....	669	0.14	0.10	0.20a	+40%	+ 8%*
First Commerce R.Dec....	19	0.02	d0.20	d1.34	Better	Better
First Cont'l.....Feb....	493	0.23	0.23	0.20	UC	+15
First Union RE.....Jan....	1,117/239G	0.21/0.06G	0.21	0.20	UC	+ 5
Flatley Rlty.....Dec....	107/ 84G	0.11/0.08G	0.03	0.27c	UC*	-50*
Florida Gulf.....Jan....	193	0.20	0.17	0.14	+18	+43
General Real Es.....Dec....	649	1.17	d0.03	d0.05	Better	Better
GREIT Realty.....Jan....	141	0.14	0.22	0.15	-36	- 7
Hubbard REI.....Jan....	1,535/ 11G	0.38	0.82c	0.35	+ 3*	+ 9
Investors Rlty.....Nov....	806	0.51	d0.14	d0.10	Better	Better
MassMutual M&R.....Jan....	1,674/189T	0.36/0.04T	0.33c	0.29	+ 3*	+10*
MONY Mtg. Inv.....Feb....	1,443	0.16	0.16	0.22a	UC	-20
Mtg. Growth Inv.....Nov....	208	0.08	0.05	0.01	+60	+700
Mtg. Tr. Amer.....Feb....	694	0.18	0.25	d0.13	-28	Better
New Plan Rlty.....Jan....	646/218G	0.38/0.13G	0.38a	0.31a	UC*	UC*
Prop. Tr. Amer.....Dec....	397/298G	0.16/0.11G	0.02	d0.14a	+500	+250
Rlty. & Mtg. Pac.....Feb....	454	0.24	0.29	0.25	-17	- 4
REIT of Amer.....Feb....	1,091/644G	0.67/0.40G	0.47a	0.37a	- 4*	+35*
REIT of Calif.....Dec....	227	0.42	0.28	0.76a	+50	- 7*
Realty Income.....Jan....	d378/177G	d0.24/0.11G	0.01a	d0.47	Worse	Better
Terrydale Rl.....Dec....	216/ 83G	0.64/0.25G	0.27	0.28	+44*	+39*
Virginia REIT.....Dec....	209	0.17	0.11	0.22a	+55	+21*
Wachovia Rlty.....Feb....	d944	d0.28	d0.18	d0.31	Worse	Better
Quarterly: Non-qualified business trusts:						
Amer. Realty.....Dec....	1,277/1,373G	0.58/0.62G	0.23a	0.09	Worse*	Worse*
Barnett Mtg.....Dec....d1,566		d0.72	d1.93	d1.56	Better	Better
Benef. Std. M.....Jan....	331/ 743S	0.25/0.55S	d0.06	d0.24	Better	Better
C.I. Mtg. Group.....Jan....d1,686		d0.35	d1.50	0.23b	Better	Worse
Citinet. Devel.....Dec....	d 70	d0.12	0.01	d0.10	Worse	Worse
Cit. & So. Rlty.....Dec....	3,523/4,989F	0.25/0.30F	d0.03b	1.57b	Better	Better
First Memphis.....Nov....	13/ 110S	0.01/0.10S	d0.18	d2.17	Better	Better
First Newport.....Jan....	d886	d0.38	d0.78	14.90c	Better	Better*
First Penn. Ml.....Jan....	d 71/4,200G6S	d0.02/1.43G6S	d1.44	d0.79	Worse*	Worse
First Wisconsin.....Dec....	367	0.18	d0.18	0.81b	Better	Worse*
NJB Prime Inv.....Nov....	d627	d0.48	0.34	1.82b	Worse	Better*
Republic Mtg. In.....Dec....	d809	d0.38	d0.25b	d0.42b	Worse	Better
State Mutual In.....Dec....	26,793/23,704Z	9.62/8.51Z	d0.15a	d0.76	Better	Better
Summit Props.....Oct....	d 84/ 440G	d0.05/0.29G	d0.03a	d0.23	Worse*	Better*
TIERCO.....Dec....	803/1,291S	0.69/1.11S	0.98b	0.04	-40	Better
U.S. Realty Inv.....Dec....	189/ 565G	0.05/0.16G	0.08a	d0.13a	Worse*	Better*
Walter Realty.....Jan....d1,215		d1.17	d0.33a	d1.26	Worse	Better
Westport Co.....Jan....	d 59	d0.03	0.10f	d0.16	Worse	Better
Wisconsin REIT.....Dec....	d756	d0.50	0.05e	0.10	Worse	Worse
Annual results: All trusts:						
First Commerce.....Dec....	d936	d0.93	--	d6.13	--	Better
First Cont'l.....Feb....	1,906	0.90	--	0.82	--	+10
First Memphis.....Nov....	d798/ 376S	d0.69	--	d3.51	--	Better
First Wisconsin.....Dec....	0/ 717S	0.00/0.38c	--	d0.98	--	Better
General RE Sh.....Dec....	994	1.78	--	d0.46	--	Better
Investors Rlty.....Nov....	616	0.39	--	d0.55	--	Better
Mortgage Growth.....Nov....	602	0.23	--	0.32c	--	+28*
NJB Prime Inv.....Nov....	d721/ 431Z	d0.55/0.33Z	--	d0.29b	--	Better
Prop. Tr. Amer.....Dec....	642/ 419G	0.26/0.17G	--	0.32a	--	+450*
Prudent RE.....Nov....d1,438/1,002L		d0.46/d0.32L	--	0.03a	--	Worse
REIT of Calif.....Dec....	618	1.32	--	1.67	--	UC*
Republic Mtg.....Dec....d2,443/ 330S		d1.16/0.16S	--	d2.40	--	Better
Summit Props.....Oct....	d316/ 674G	d0.20/0.44G	--	d0.40a	--	Better
TIERCO.....Dec....	2,610/2,721S	2.25/2.34S	--	d0.73	--	Better
U.S. Rlty. Inv.....Dec....	167/1,318G	0.05/0.38G	--	d1.28	--	Better
Virginia REIT.....Dec....	534	0.43	--	d0.48a	--	+ 8*
Wisconsin REIT.....Dec....	280/1,355e	0.19/0.89e	--	d0.66	--	Better

UC=Unchanged. NM=Not meaningful. r=Restated. p=Preliminary. d=Deficit.

#--Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Gain on asset swaps with banks; T=Gain on market purchases of debt at discounts; Z=Gain on debt restructuring via exchanges or tenders.

\*\* Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

\* Compared before special items.

a--Gains or losses on asset sales in results for previous and year-ago quarters are:  
Consol. Cap., \$1.20/sh. in previous qtr.; Cont. Ill. Prop. 7c/sh. in year-ago qtr.;  
MONY Mtg., 2c/sh. in year-ago; New Plan, 13c and 6c/sh. in prev. & year-ago; Prop. Tr.  
Amer., 15c/sh. loss in year-ago; REIT of Amer., 19c and 17c/sh. in prev. & year-ago;  
REIT of Cal., 31c/sh. in year-ago; Realty Income, 1c/sh. in prev.; Virginia, 8c/sh. in  
year-ago; NON-QUALIFIED TRUSTS: Amer. Rlty., 21c/sh. in prev.; State Mut., 21c/sh. in  
prev.; Summit Prop., 5c/sh. in prev.; U.S. Rlty., 12c and 10c/sh. in prev. & year-ago;  
Walter Rlty., 4c/sh. in prev. IN ANNUAL RESULTS: Prop. Tr. Amer., 30c/sh. in 1976;  
Prudent, 9c/sh. in 1976; Summit, 23c/sh. in 1976; U.S. Rlty., 8c/sh. in 1976.  
b--Asset swap gains, tax benefits from net operating losses (NOL), and gains from early  
retirement of debt at discounts in previous and year-ago quarters:  
C.I. Mtg., 39c/sh. in year-ago; Cit. & So. Rl., 18c and \$5.02/sh. in prev. & year-ago;  
First Wisc., 58c/sh. in year-ago; NJB Prime, \$7.99/sh. in year-ago; Republic Mtg., 1c  
and 13c/sh. in prev. & year-ago; ANNUAL RESULTS: \$7.99/sh. in 1976 for NJB Prime.  
c--Other debt gains: First Newport, \$16.02/sh. restructuring in year-ago; Flatley Rlty.,  
22c/sh. gain on restructuring of a mtg. in year-ago; Hubbard, 44c/sh. loss reserve  
reversal and 1c/sh. gain on asset sale in prev.; MassMutual, 2c/sh. gain on debenture  
repurchase in prev.; Mtg. Growth, 14c/sh. gain on debenture repurchase in year-ago.  
e--Wisconsin REIT, 8c/sh. NOL benefit in prev. qtr.; and 80c/sh. gain on asset sale and  
9c/sh. NOL benefit in 1977.  
f--Transactions with advisers: Cit. & So. Rlty., 30c/sh. gain on settlement with adviser  
in latest qtr.; and Westport Co., 22c/sh. gain on separation from adviser in previous.

## Earnings Trends - continued

Mortgage Trust of Amer. was 18¢/sh. in the black, down a bit from the 25¢/sh. earnings of the prior quarter that benefitted from recoveries of past-due interest and a credit from the loss reserve.

First Commerce Realty also was 2¢/sh. profitable in the Dec. qtr., last of its fiscal year.

Mortgage Growth Inv. boosted net to 8¢/sh. in its Nov. qtr., last of its fiscal year, and continued the recovery with a 10¢/sh. showing in the February qtr. (not in the table).

MassMutual Mtg. & Rlty. jumped to 36¢/sh. in the Jan. qtr., the gain including 4¢/sh. gain on repurchase of debentures. Rents rose and interest expense dropped in the quarter, and nonearning assets fell to 6.6%. MML is seeking to make \$100 million commitments for construction and other short-term loans.

MONY Mtg. Inv. held earnings level at 16¢/sh. and kept the dividend even. Court sale of a group of apartments in North Carolina is set and when closed should restore a large loan to earning status.

Continental Illinois Properties boosted net income to 14¢/sh., 40% ahead of the previous quarter and 8% above the year-ago number before a capital gain.

Sale of Shreveport Plaza, shopping center acquired after the W.T. Grant bankruptcy, added 6¢/sh. to First Union Real Estate's Jan. qtr. net income, after preferred dividend.

REIT of America operating income before gain on asset sale of 27¢/sh. in the Feb. qtr. was 35% above 1977 levels but down from the previous period. A 75-year lease on a downtown Detroit store expires July 1 and the building is to be razed. Expiration will cost about 12-14¢/sh. net rent after property taxes, and operation as a parking lot won't replace that amount.

Investors Realty was profitable by 39¢/sh. in the Nov. fiscal year but results included 93¢/sh. gain on sale of investments, including sale of its largest investment, a New Orleans apartment. Bank debt has been cut to \$6.5 million from proceeds.